

# ACEC/WSDOT Project Delivery Team

## Change Recommendation Form

Team Leaders	Ken Smith & Duncan Findlay	Date Jan 14, 2004	Change Request Number 2
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### **Current Process:** *Description of the current process*

Washington State sales tax is imposed upon the gross price of WSDOT construction contracts, including design/build contracts. WSDOT construction projects are substantially funded by the gas tax. As these tax dollars are spent on WSDOT construction projects, they are currently taxed again, with the levied taxes going to the state's general fund.

### **Improvement Opportunity:** *Major causes for current process performance*

If WSDOT construction contracts were exempted from the imposition of the sales and/or excise tax, WSDOT construction dollars available for project delivery would be increased by up to 8.5% in some instances.

### **Recommendation:** *Solution for addressing the improvement opportunity*

WSDOT should consider a recommendation that the legislature enact a specific sales tax exemption within RCW 82.08 (Retail Sales Tax Provisions), such as the following:

“RCW 82.08.XXX Exemptions -- The tax levied by RCW 82.08.020 shall not apply to the sale of or charge made for labor and services rendered or materials supplied in respect to the building, repairing, or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by the state and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.”

And in addition, to ensure that the Excise Tax is not levied upon these same transactions as an alternative, enact an exemption within the Use Tax provisions (RCW 82.12) such as the following:

“RCW 82.12.XXXX Exemptions -- The provisions of this chapter shall not apply in respect to the sale of or charge made for labor and services rendered or materials supplied in respect to the building, repairing, or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by the state and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.”

### **Benefits:** *Why proposed change will result in improved performance*

Increase project delivery dollars by up to 8.5%.

### **Stakeholder Identification:**

Secretary of Transportation

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**Responsibility for Implementation:** *Who will implement the recommendation?*

State Legislature

**Time Constraints for Implementation:** *When will the recommendation be implemented?*

2005 or 2006 Legislative Session

**Details for Implementation:** *How will the recommendation be implemented?*

Legislative enactment.

☐ *Approved*

☐ *Pending*

☐ *Rejected*

Comments:

*Signed:* \_\_\_\_\_ *Date:* \_\_\_\_\_

Don K. Nelson and/or Brad Stein

## ACEC/WSDOT Project Delivery Team

The ACEC/WSDOT Project Delivery Team has developed the attached recommendation. You have been identified as a stakeholder for this process or program. Your comments are a valuable part of this improvement opportunity.

Please return your comments to: \_\_\_\_\_

By: \_\_\_\_\_

### Stakeholder Comments:

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What is your opinion of this change request proposal?

Please check one of the following:

- ☐ Good Idea
- ☐ Needs Work
- ☐ Bad Idea
- ☐ No Impact

Name \_\_\_\_\_ Phone \_\_\_\_\_

Title \_\_\_\_\_